

EXCEPTION

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AZ CORP COMMISSION
DOCKET CONTROLArizona Corporation Commissioner
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IN THE MATTER OF THE APPLICATION OF
ARIZONA ELECTRIC POWER COOPERATIVE,
INC. FOR AUTHORIZATION TO INCUR DEBT
AND SECURE LIENS IN ITS PROPERTY TO
FINANCE ITS CONSTRUCTION WORK PLAN

Docket No. E-01773A-15-0389

**AEPCO'S EXCEPTIONS TO
RECOMMENDED ORDER**

Arizona Electric Power Cooperative, Inc. ("AEPCO" or the "Cooperative") has reviewed the Recommended Order ("RO") of Administrative Law Judge Belinda Martin, dated February 10, 2016. AEPCO supports the RO and requests that the Commission approve it with the minor clarifying revisions described below.

I. AEPCO Membership

Finding 5 of the RO provides a description of the Cooperative, including AEPCO's membership. In addition to listing AEPCO's six Class A member distribution cooperatives, the RO refers to the City of Mesa and Salt River Project Agricultural Improvement District as Class B members. While these entities are prior Class B members, AEPCO does not have any current Class B members. Also, the RO identifies Valley Electric Association as a Class D member. AEPCO currently has two additional Class D members: Southwest Public Power Agency and the Central Arizona Water Conservation District.

Therefore, AEPCO requests that the RO be revised to reflect the Cooperative's current membership by replacing the last sentence of Finding 5 with the following: "AEPCO has three

1 Class D members: Valley Electric Association, Southwest Public Power Agency, and the
2 Central Arizona Water Conservation District.”

3 II. Projects to be Financed

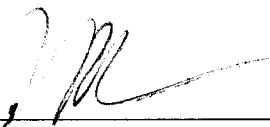
4 Finding 14 of the RO describes some of the projects in AEPCO’s Construction Work
5 Plan for 2015-2017 (“CWP”). Specifically, the RO states that the CWP includes projects for
6 nitric oxide, nitrogen oxide reduction, compliance upgrades, and mercury control. In addition to
7 these projects, the CWP for which AEPCO is requesting financing authorization includes general
8 improvements, upgrades, and replacements to the Cooperative’s generation plant that are not
9 associated with any particular environmental compliance requirement.

10 Therefore, in order to clarify the various projects included in the CWP, AEPCO requests
11 that the second sentence of Finding 14 be revised to read as follows: “The projects included in
12 the 2015-2017 CWP are for nitric oxide, nitrogen oxide reduction, compliance upgrades,
13 mercury control, and other improvements, upgrades, and replacements to the Cooperative’s
14 generation plant.”

15 AEPCO respectfully requests that the Commission enter its Order with the clarifying
16 revisions described herein.

17 RESPECTFULLY SUBMITTED this 19th day of February, 2016.

18 GALLAGHER & KENNEDY, P.A.

19
20 By 
21 Jennifer A. Cranston
22 2575 East Camelback Road
23 Phoenix, Arizona 85016-9225
24 Attorneys for Arizona Electric Power
Cooperative, Inc.

1 **Original and 13 copies** filed this
19th day of February, 2016, with:

2
3 Docket Control
4 Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

5 **Copies** of the foregoing delivered
this 19th day of February, 2016, to:

6
7 Commissioner Doug Little, Chairman
8 Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

9 Commissioner Bob Stump
10 Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

11
12 Commissioner Bob Burns
13 Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

14 Commissioner Tom Forese
15 Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

16
17 Commissioner Andy Tobin
18 Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007


19 Dwight Nodes, Chief Administrative Law Judge
Hearing Division
20 Arizona Corporation Commission
1200 West Washington Street
21 Phoenix, Arizona 85007

22

23

24

1 Belinda Martin, Administrative Law Judge
Hearing Division
2 Arizona Corporation Commission
1200 West Washington Street
3 Phoenix, Arizona 85007
4 Thomas Broderick, Director
Utilities Division
5 Arizona Corporation Commission
1200 West Washington Street
6 Phoenix, Arizona 85007
7 Phan Tsan
Utilities Division
8 Arizona Corporation Commission
1200 West Washington Street
9 Phoenix, Arizona 85007
10 Ray Williamson
Utilities Division
11 Arizona Corporation Commission
1200 West Washington Street
12 Phoenix, Arizona 85007
13 Janice Alward, Chief Legal Counsel
Legal Division
14 Arizona Corporation Commission
1200 West Washington Street
15 Phoenix, Arizona 85007
16 Charles Hains
Legal Division
17 Arizona Corporation Commission
1200 West Washington Street
18 Phoenix, Arizona 85007

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